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September 20, 2005

FDIC-San Francisco Regional Office  
Director John F. Carter  
25 Jesse Street at Ecker Square, Suite 2300  
San Francisco, CA 94105

Dear Director John F. Carter:

I am writing this letter in opposition to the Wal-Mart application for FDIC insurance for its industrial loan company (ILC) in Utah. Following are some comments on the subject.

1. Congress stated its opposition to the mixing of banking and commerce when it enacted the Gramm-Leach-Bliley Act. Mixing banking and commerce represents bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest.
2. While the Wal-Mart ILC application in Utah does not seek broad "banking" powers, once a charter is granted, expanded powers, including nationwide branching, could be sought. The vast resources brought to the table by Wal-Mart would have an adverse impact on community banks, in much the same manner that Wal-Mart's presence has had on other retail establishments in the communities in which it has located.
3. A nationwide banking operation by Wal-Mart would pose a significant systemic risk. The potential size of a Wal-Mart banking operation would represent an ill-advised and unprecedented concentration of economic power.

Thank you for your time and attention.

Sincerely,

Donovan H. Ellis

*Donovan H. Ellis*  
Vice President  
Midwest Bank, N.A.